

Financial Administration

# **Budgeting, Funding, and Reimbursement for Base Operations Support of Army Activities**

Headquarters  
Department of the Army  
Washington, DC  
15 October 1978

**Unclassified**

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# ***SUMMARY of CHANGE***

AR 37-49

Budgeting, Funding, and Reimbursement for Base Operations Support of Army  
Activities

Effective 15 November 1978

Financial Administration

## Budgeting, Funding, and Reimbursement for Base Operations Support of Army Activities

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By Order of the Secretary of the Army:

**BERNARD W. ROGERS**  
*General, United States Army*  
*Chief of Staff*

Official:

**J. C. PENNINGTON**  
*Brigadier General, United States Army*  
*The Adjutant General*

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**History.** This UPDATE issue is a reprint of the original form of this regulation that was

published on 15 October 1978. Since that time, no changes have been issued to amend the original (with exceptions stated in paragraph 3).

**Summary.** This revision reflects current Army doctrine and clarifies those portions that pertain to basic policy (to include exceptions). This regulation should be used in conjunction with AR 5-8 and AR 5-9.

**Applicability.** See paragraph 2.

**Proponent and exception authority.**  
Not applicable

**Army management control process. Supplementation.** Local supplementation of this regulation is prohibited, except upon

approval of the Comptroller of the Army (DACA-BUS), WASH DC 20310.

**Interim changes. Suggested Improvements.** The proponent agency of this regulation is the Office of the Comptroller of the Army. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) direct to HQDA(DACA-BUS), WASH DC 20310.

**Distribution.** To be distributed in accordance with DA Form 12-9A, requirements for AR, Financial Administration: Active Army: C; ARNG: D; USAR: C.

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\*This regulation supersedes AR 37-49, 25 July 1973, and DA message DACA-BUE 251506ZJun74, subject: Interim Change to AR 37-49, Budgeting, Funding, and Reimbursement for Base Operations Support of Army Activities.

**RESERVED**

## 1. Purpose

This regulation prescribes the budgeting, funding, and reimbursement policies and responsibilities to be followed by Army activities in connection with intra-Army base operations support.

## 2. Applicability

*a.* This regulation applies to active Army, Army National Guard, and US Army Reserve.

*b.* This regulation is not applicable in situations where either the host/tenant/satellite is non-Army. Budgeting and funding policies and responsibilities for base operations support between Army and non-Army activities are established in AR 1-35, AR 37-19, and AR 37-27. Base communications support (no longer identified as an exception to basic policy or as an element of base operations support as defined herein) is mission funded and will be addressed in a separate AR.

## 3. Effective date

This regulation is effective upon publication with the following exception: Whenever policies set forth in this regulation differ from current practices and would require fund transfers, the effective date will be 1 October 1980. This date will allow consideration of required fund transfers during the FY 81 program and/or budget cycle. Earlier implementation is authorized when both host and tenant agree to amounts to be transferred and approval is obtained from HQDA (DACA-BUS).

## 4. Explanation of terms

*a. Base operations.* Base operations are those common-service support functions listed in chapter 5, section XII, AR 37-100-XX, Army Management Structure (AMS), regardless of the appropriation or fund account from which they are financed.

*b. Host.* An installation or activity that has management control over facilities and provides facilities and/or provides administrative and logistical support (including base operations support) to another activity or unit that is dependent upon the providing installation or unit that is dependent upon the providing installation or activity for all or a portion of its administrative and logistical support requirements.

*c. Common servicing.* Support performed by one activity for another activity for which payment is not required from the activity receiving the support.

*d. Mission unique.* Mission-unique support refers to base operations support required by a tenant which is different from the kind of support services, supplies, and equipment normally provided or maintained by the host. Examples would be special maintenance and repair requirements, specialized intelligence equipment, or laboratory equipment for medical facilities.

*e. Tenant.* A unit or activity of one commander which occupies facilities on, and receives specified types of supply and other support from, an installation of another commander. ("On-post" is synonymous with tenant.)

*f. Satellite.* A unit or activity of a command which is not a tenant, i.e., is located outside the assigned real property boundaries of the host, but which is dependent upon a designated installation for specified support, either as assigned by higher authority or through a mutually developed written support agreement ("Off-post" is synonymous with satellite.)

## 5. Basic policy

*a.* Except as provided hereafter in this regulation, the host will program, budget, and fund for all base operations support. (Host installations can be funded from either Operation and Maintenance, Army (OMA); Operation and Maintenance, Army Reserve (OMAR); Research, Development, Test, and Evaluation, Army (RDTEA); or Army Industrial Fund (AIF).) The host will provide base operations support to the tenant/satellite without reimbursement when the host and the tenant/satellite are both financed by the same Army appropriation, except for those specific exemptions outlined

elsewhere in this regulation. Further, OMAR-funded active component tenants/satellites, such as Army Readiness Regions, Readiness Groups, and CONUS Armies, will be provided base operations support on a non-reimbursable (common-servicing) basis when the host is OMA or OMAR funded. When the host is OMAR funded, Active Army Component tenants/satellites which are OMA funded, such as ROTC Region Headquarters and detachments, will be provided base operations support on a nonreimbursable basis.

*b.* The OMAR appropriation-funded activities, other than those cited in paragraph 5a, and/or US Army Reserve centers will be provided base operations support on a reimbursable basis for those items of cost that are directly identifiable when the host is funded by an appropriation other than OMAR. A coordinating installation, as designated by AR 5-9, which is responsible for an OMAR-funded tenant/satellite will either cite direct OMAR funds or reimburse the supporting installation for identifiable support provided. Specific guidance pertaining to policy/procedure for determining directly identifiable cost will be the responsibility of the coordinating installation and its respective MACOM.

*c.* Support will be provided to the Army National Guard on a nonreimbursable basis for services identified in AR 5-9. (See paragraph 6e for specific guidance.)

*d.* The tenant/satellite will budget, fund, and reimburse the host for base operations support received under the following conditions:

(1) Host and tenant/satellite are financed by different appropriations (i.e., OMA host and RDTEA tenant). (See *a* and *b* above regarding OMAR.)

(2) Host and/or tenant satellite are financed by the AIF except that reimbursement is not required for troop support-type base operations as set forth in AR 37-55 (this support will be provided on a common-servicing basis). Non-DARCOM OMA tenants/satellites will be provided base operations support at DARCOM AIF host installations on a common-servicing basis. DARCOM will budget and fund for this support through DARCOM command channels.

*e.* Reimbursement to host major range and test facility base installations for use of ranges and test facilities only will be in accordance with AR 37-110. All other tenants/satellites will reimburse in accordance with this regulation.

*f.* Supported activities will advise the host of changing requirements to permit the required support to be programed in the budget formulation cycle of the host. Supported activities will also provide the host with data, as requested, related to base operations-type resource information to be included in budget submissions to their higher headquarters.

*g.* The host will provide all tenant/satellite activities an equitable level of base operations support. General fund reductions will not be used as a basis for eliminating or reducing support provided tenant/satellite activities to a level below that of the host activities.

*h.* When an Army tenant/satellite provides support to other Army tenant/satellites, the same Army host and Army tenant/satellite relationships apply.

*i.* Within CONUS, Alaska, Canal Zone, Puerto Rico, and Hawaii, an "off-post" activity which does not receive base operations support from another activity will fund its base operations-type costs from its mission account. In case of Reserve Components, these costs will be borne in the applicable accounts of the appropriations supporting these activities.

*j.* When a tenant/satellite is provided, either initially or as replacement, standard-type furniture and equipment that is installation property (i.e., belongs to the installation commander and is accounted for in installation property books), such property will be furnished on a common-servicing basis.

*k.* Organizational maintenance is not considered a base operations support function except as it pertains to the equipment owned by a base operations facility to perform its assigned mission. Therefore, organizational maintenance is normally a mission charge and when performed for tenants/satellites will be accomplished on a reimbursable basis. Organizational maintenance support may be furnished tenants/satellites on a nonreimbursable basis at the option of the supporting MACOM commander when, in the commander's opinion, the annual costs are insignificant or the costs of processing

reimbursements approximate the costs of the actual support furnished.

## 6. Exceptions

Exceptions to the basic policy contained in paragraph 5 are listed in *a* through *h* below. No other exceptions to this regulation are authorized without prior approval of the Comptroller of the Army.

*a. Minor Construction (Z Account .L1000).* The minor construction area is a unique area of base operations support requiring separate consideration. The tenant/satellite will program, budget, and fund for minor construction projects which are mission related. This procedure places the responsibility for analysis and evaluation of the project at the headquarters (tenant/satellite commander) best able to evaluate the costs/benefits of such construction. In cases where minor construction projects are identified by the host as requested in best interests of the installation rather than for the unique mission of the tenant, such minor construction will be programmed, budgeted, and funded by the host. On the basis that all host/tenant missions ultimately have a common core of necessity at some higher level of consideration, the decision for host versus tenant funding of each minor construction project must be made by the host commander using specific mission statements and MACOM guidance. Programming, budgeting, and funding will encompass the consideration of all resources necessary to the completion of the project (i.e., materials, labor, special equipment rentals). This exception applies only to real property facilities assigned to the tenant/satellite for its exclusive use.

*b. Mission-unique contractual services solely for the tenant/satellite.* When the host does not have a capability to provide a specialized tenant/satellite with mission-unique items of support and the support must be provided by contract, the tenant/satellite will program, budget, and fund for costs of such items from funds provided in its mission accounts. To qualify for this exemption, the service must be of such a nature that the host does not—

(1) Have the capability within his/her jurisdiction to provide the service.

(2) Provide similar services for support of other activities under his/her jurisdiction.

*Note.* Excluded are contractual services for items which are capitalized in the real property inventory and are within facilities maintained with host's funds (see

*d* below). When tenant/satellite programs, budgets, and funds for these mission-unique services, procurement documents will cite the tenant's/activity's accounting classification as a direct fund cite.

*c. DOD Dependent Schools in overseas areas.* Base operations support to these schools will be provided on a reimbursable basis.

*d. Capitalization in the installation real property inventory of tenant's peculiar property.* The host will program, budget, and fund for all requirements which relate specifically to maintenance and/or repair of items which are capitalized in the installation real property inventory and are within facilities maintained with host appropriation funds. This includes maintenance and repair of real property which has been installed because of peculiar tenant needs (mission-unique).

*e. Installation support to Army National Guard.*

(1) Base operations support will be provided to the Army National Guard as specified in AR 5-9 and will be the responsibility of the designated support installation.

(2) Installation support furnished Army National Guard and Army Reserve units in support of training activities (i.e., annual and weekend) is reimbursable (except as indicated in para 8c) but is limited to identifiable incremental costs.

*f. Commissary stores.* Support provided Troop Support Agency commissary stores for operating supplies, operating equipment, maintenance of operating supplies and equipment, and actual or estimated cost of utilities will be reimbursed in accordance with applicable statutes and AR 30-19.

*g. Programming, budgeting, and funding for acquisition, maintenance, and repair of Armed Forces Recruiting Facilities.* The Office

of the Chief of Engineers is responsible for the programming, budgeting, and funding for acquisition, maintenance, and repair of Armed Forces Recruiting Facilities (except for the US Army Recruiting Command Regional Headquarters which will be provided in accordance with applicable regulations).

*h. Medical equipment maintenance.* The Health Services Command supporting activities will perform medical equipment maintenance on a nonreimbursable basis under provisions of AR 40-61. This medical maintenance support includes all categories and types except that performed by the users of the equipment.

## 7. Support agreements

Base operations support furnished to tenant/satellites on a common-servicing basis need not be supported by negotiated written agreements. The host is responsible for programming, budgeting, and funding the level of support required and will solicit necessary budget input from the tenants/satellites. Mission-unique reimbursable support provided under the above exceptions will be supported by written support agreements. Reimbursements required between host and tenants in accordance with provisions of paragraph 5d(1) will be documented. Such agreements will specify and provide for any interactivity (tenant/host) costs, except where statutory limitations are involved, for which the tenant provides support to the host installation and for which the host is assigned programming, budgeting, and funding responsibility. The written support agreements should include, but not necessarily be limited to, the following:

*a.* Date support is to start or, if support is already being provided, a statement concerning its continuance.

*b.* Date support is to terminate or, if support is to be continuous, provisions for periodic review and revision at a time far enough in advance to allow for budget leadtime and the preparation of a revised agreement without causing interruption in the support furnished.

*c.* Provisions for renegotiation and amendment to accommodate changing circumstances.

*d.* Type, amount, and estimated cost of reimbursable support to be furnished by host AMS account.

*e.* Procedures for reimbursement of support furnished.

*f.* Method to be used in determining charges applicable to each host's AMS account (e.g., population served, square footage occupied).

## 8. Reimbursement

*a.* To determine the basis of reimbursement, any generally accepted method mutually agreeable to both the host and tenant may be used, provided it meets the test of reasonable accuracy as well as simplicity and is not in contravention of other existing policies and/or regulations. Charges for work order services performed by installations or activities not operating an industrial-type cost accounting system will consist of direct material in accordance with applicable pricing regulations/policy and civilian labor costs (i.e., Object Class 11) plus 29 percent to cover annual leave, holidays, sick leave, and contributions for group life insurance, civil service retirement, and health benefits. These costs represent the net direct cost to the host of the personal services provided to the tenant.

*b.* To the extent that command and funding channels permit, the host installation may consider the combination of some or all tenants/satellites as one, for purposes of billing and reimbursement.

*c.* Reimbursement between appropriations is not required when reimbursement from the tenant to the host command is largely offset by a similar amount of reimbursement from host command to a tenant activity for services provided by the tenant to the host.

*d.* Reimbursements will be accomplished by processing Standard Form (SF) 1080 (Voucher for Transfers Between Appropriations and/or Funds) on a monthly basis. The SF 1080 will be supported by a listing itemizing charges applicable to each AMS account.

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